

State of California  
Department of Insurance  
45 Fremont Street, 21<sup>st</sup> Floor  
San Francisco, California 94105

TEXT OF REGULATIONS

File No. RH-396  
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CALIFORNIA CODE OF REGULATIONS, TITLE 10, CHAPTER 5, SUBCHAPTER 1  
ADOPT ARTICLE 3.5 TO READ:

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ARTICLE 3.5 RENTAL CAR AGENT LICENSING  
REGULATIONS

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Section 2130. Authority

These regulations are promulgated pursuant to the authority granted the Insurance Commissioner by the California State Legislature under the provisions of Assembly Bill No. 62 (Stats. 1999, Ch.618) ~~and pursuant to Insurance Code, Division 3, Chapter 2, Article 1, Section 12921.7.~~ On and after January 1, 2001, no rental car company may sell or offer insurance without complying with Sections 1758.8-1758.891 of the Insurance Code and these regulations.

NOTE: Authority cited: Section 2, A.B.62 (Stats.1999, c.618).  
Reference: Sections 1758.8-1758.891, ~~and 12921.7,~~ Insurance Code.

Section 2130.1. Definitions.

As used in these regulations and in Article 16.6 (commencing with Section 1758.8) of the Insurance Code:

(a) "Authorized insurer" means an insurer holding a California certificate of authority that includes the kinds of insurance enumerated in Section 1758.85 of the Insurance Code.

(b) "Franchise" and its derivatives are as defined in the California Corporations Code, Title 4, Division 5, Part 1 (commencing with Section 31005).

(c) "Organization" means a partnership, limited liability company, association, or corporation. Where reference is made to a natural person named on an organization license, the reference shall be to a person who is named to exercise the power and perform the duties under an organization license.

NOTE: Authority cited: Section 2, A.B.62 (Stats.1999, c.618).  
Reference: Sections 1628 and 1758.85, Insurance Code.

Section 2130.2. Applications.

(a) A separate license shall be applied for and obtained by each natural person (i.e., individual) or organization that intends to act as a rental car agent.

(1) An individual licensee may own or act as the franchisee of more than one rental car company without obtaining additional licenses.

(2) An organization licensee may act as the franchisee of more than one rental car company without obtaining additional licenses.

(b) An individual or organization licensee shall file with the Commissioner any true name or fictitious name(s) under which the applicant intends to act as a rental car agent. The Commissioner may disapprove, in writing, the use of any true or fictitious name (other than the bona fide true name of an individual) by any licensee pursuant to Section 2050 et seq. of this chapter.

(c) Any certification required in Article 16.6 (commencing with Section 1758.8) of the Insurance Code shall be made under penalty of perjury under the laws of the State of California.

NOTE: Authority cited: Section 2, A.B.62 (Stats.1999, c.618).  
Reference: Sections 1758.8, 1758.82 and 2050 et seq., Insurance Code.

#### Section 2130.3. Fees.

(a) A fee of \$340 shall be paid at the time the license application is filed.

(1) Applications that are not accompanied by the appropriate fee shall not be accepted for filing, whether or not they contain all the documents otherwise required by Sections 1758.81(a) and 1758.82(c) of the Insurance Code.

(b) Costs charged by the Department of Insurance for any enforcement action or investigation shall be paid by the licensee, in addition to the application or renewal filing fee.

NOTE: Authority cited: Section 2, A.B.62 (Stats.1999, c.618).  
Reference: Section 1758.81, Insurance Code.

#### Section 2130.4. Disclosure.

(a) The brochures or other written materials that are provided to the prospective renter pursuant to Section 1758.86 of the Insurance

Code shall include, among other information:

(1) the approved true or fictitious name under which the licensee is doing business at the location in which the rental transaction is taking place;

(2) the name(s) of any insurer(s) providing the insurance being offered to the prospective purchaser.

(b) All disclosures required by Section 1758.86(b) of the Insurance Code and these regulations shall be written clearly and conspicuously.

(c) A copy of the rental agreement shall be provided to the renter at the time of execution of the rental car contract.

NOTE: Authority cited: Section 2, A.B.62 (Stats.1999, c.618).  
Reference: Section 1758.86, Insurance Code.

#### Section 2130.5. Training.

(a) A separate set of training materials shall be prepared and submitted to the Commissioner for each insurance product sold.

(1) If endorsees of a single licensee doing business under the same name at multiple locations are selling the same insurance product, no more than one set of training materials shall be prepared and submitted to the Commissioner for that product.

(2) Insurance products provided by different insurers shall be deemed to be different products for the purpose of these regulations.

(b) Training of endorsees shall be conducted whenever there is a change in the insurance product(s) sold, but in no event less frequently than every two (2) years.

(c) If the training materials have been developed by an insurer and approved by the California Department of Insurance, the applicant is not required to submit the training material. The applicant instead shall submit a letter, signed by both an authorized representative of the insurer and by the applicant (or officer of the entity), stating that the applicant will use the approved training materials filed by the insurer.

NOTE: Authority cited: Section 2, A.B.62 (Stats.1999, c.618).  
Reference: Section 1758.82, Insurance Code.

Section 2130.6. Records

(a) Records of insurance transactions and other documents required by Article 16.6 (commencing with Section 1758.8) of the Insurance Code and these regulations shall be maintained for at least three (3) years after the expiration or cancellation date of the policy to which the records pertain, except where otherwise specifically authorized by statute or the Commissioner.

(b) Records shall be kept in this State, in the principal office of the licensee, except where otherwise specifically authorized by statute or the Commissioner.

(c) Records shall be produced for examination by the Commissioner or a designee of the Commissioner within 30 days of the mailing date of a written request. Records may be requested in electronic or written format.

NOTE: Authority cited: Section 2, A.B.62 (Stats.1999, c.618).  
Reference: Section 1758.82, Insurance Code.

Section 2130.7. Forms

The specific forms required to be filed with the Commissioner by license applicants and licensees are as follows:

(a) The written application for licensure shall be made on Form 441-9 (Rev 11/2000) for individuals and on Form 441-11 (Rev 11/2000) for organizations.

(b) The initial certification of authorized employees shall be made on form Lic. RCA 1 (Rev 11/2000).

(c) The annual certification of authorized employees shall be made on form Lic. RCA 2 (Rev 11/2000).

(d) The insurer certification shall be made on form Lic. RCA 3 (Rev 11/2000).

(e) Training materials submitted to the Commissioner shall

contain all of the elements set forth in form Lic. RCA 4 (Rev 11/2000).

(f) The list of authorized endorsees shall be made on form Lic. RCA 5 (Rev 11/2000). The list shall be maintained in a format capable of transmission to the Commissioner electronically and in hard copy or diskette, however requested by the Commissioner pursuant to Section 2130.6(c) above. The electronic version shall be transmitted in commercial word-processing or spreadsheet form. When requested, the list shall be updated to include endorsees newly authorized up to 30 days before the mailing date of the request, and shall include the dates upon which each endorsee's authorization began and, if relevant, terminated. It shall then be transmitted as an attachment to e-mail or by regular mail in hard copy or diskette, as requested. The appropriate e-mail and regular mailing addresses shall be posted by the Department on its website at <http://www.insurance.ca.gov>.

(g) All forms set forth in this subsection are incorporated herein by reference in their entirety and are available upon request, by telephone or in writing, to the Department of Insurance or on the website of the Department of Insurance, at [www.insurance.ca.gov](http://www.insurance.ca.gov).

NOTE: Authority cited: Section 2, A.B.62 (Stats.1999, c.618).  
Reference: Sections 1758.81 and 1758.82, Insurance Code.

#### Section 2130.8. Procedures.

(a) The following criteria shall apply to procedures employed by the Commissioner in considering and issuing licenses:

(1) If the application is deficient, the Commissioner shall, within twenty-one (21) calendar days of receipt of the license application, inform the applicant, in writing, that the application is deficient and what specific information is required for completion.

(2) The Commissioner shall, within thirty (30) calendar days of filing of a completed application, reach a decision whether to issue or deny a license, and shall notify the applicant of the decision. If the Commissioner has decided to deny the application, the reason(s) therefor shall be set forth in the notification.

(b) The periods set forth above shall be tolled in the event the application requires legal action by the Commissioner.

(c) The Department of Insurance's median, minimum and maximum times for processing a license from the receipt of the initial completed application to the final license decision, and excluding applications that require legal action by the Commissioner, are as follows:

- (1) thirty (30) calendar days (median time),
- (2) fourteen (14) calendar days (minimum time), and
- (3) one (1) calendar year (maximum).

NOTE: Authority cited: Section 2, A.B.62 (Stats.1999, c.618).  
Reference: Section 15376, Government Code, and Section 1670, Insurance Code.